the most desirable and efficient long-term demographic structure. Recall, all teachers with 15 or more years are typically placed essentially on the same salary level.

4. While this change is not directly germane to the question of SB 255 I urge consideration of a limit on maximum pensions in the range of 60-75% of the Final Average Salary except for service credit earned or purchased prior to June 30, 2010.

RATIONALE: Similar limits have been placed on at least 13 of the public educational employee pension systems throughout the country and the Midwest (e.g., IA, IL, MO, NY, etc.). Most of the limits equate to approximately 40 years of service within that system. For example, if the system's multiplier is 2.0 the cap would tend to be 80%, if the multiplier is 1.67 the cap would be 67%, a 2.5 multiplier would tend to cap at 100%, etc.

In conclusion: the permanent 1.6-1.67 multiplier for 12 months at the point of initial eligibility provides a LONG-TERM solution (at least in part) to Michigan's school finance and teacher employment "crisis" --- an issue that has been on the front docket for the Governor and Legislature. The current proposed legislation, on the other hand, is a knee-jerk reaction to the current economic recession and is simply a band-aid that may temporarily help but does not, in its current form, help solve any long-term school finance issues for the state. Quite to the contrary in its current form SB 255 exacerbates the problems in a number of ways. Michigan needs long-term, creative solutions --- not knee-jerk, short-term band-aids.

Doug Fillmore, the MERPS superintendent and I have agreed to the following likely scenarios at Meridian for 2009-10: If there is no SERS we don't anticipate any retirements and we will be facing 6-7 teacher layoffs (around 8-10% of our current number). With a SERS of 1.6-1.67 we believe we would be able to avoid layoffs and would likely be hiring from 6-7 new teachers (around 8-10% of our current number) to replace those who would likely retire with such an offer.

Thank you for your consideration of this proposal and your public service.

1. The enhanced multiplier should be between 1.6 and 1.67 not the 2.0 being proposed. I prefer the 1.6 but could live with the 1.67.

RATIONALE: By the bills own admission (in setting a participation cap) the 2.0 is likely to lead to considerably more near-term retirements than the optimal number. From my experience, I can guarantee that this is the case. Participation will SUBSTANTIALLY exceed the level needed or desired and would include many senior school administrators whose experience and ability will be critical to maintaining and improving the quality of Michigan's schools in this current challenging environment. Obviously, the Senate should attempt to find a multiplier level that provides the optimal level of participation. This optimal level achieves the desired near term savings and new employment opportunities for recent and future teaching applicants at the lowest possible cost.

2. The enhanced multiplier should be permanently applied to the MPSERS for all members retiring within one year of attainment of full eligibility and those fully eligible at the time of the bill's enactment.

RATIONALE: Unlike the temporary excessive multiplier currently proposed, a much less expensive permanently applied multiplier would be beneficial to all parties.

First, all MPSERS members would have the opportunity to participate. This is particularly important since all MPSERS members will be paying for any pension enhancement in future employee and employer ORS contributions. The current proposal provides a massive and excessive benefit to the relatively few MPSERS members who currently qualify, none of whom will bear any of the future cost of the excessively increased pensions.

Second, from the employer point of view the same basic principal applies. Current staff demographics vary widely by district. A prime example of this is a comparison provided to me by my sister who is a board member at VanDyke and an administrator at South Lake. South Lake has offered two recent Early Retirement Incentives, the 1st for $70,000 and the 2nd for $65,000. Large numbers of teachers participated, consequently less than 5% of their teachers would be eligible under the current bill and none of them would likely be eligible given the $1.5B liability cap in the bill. Conversely, VanDyke has offered no incentives and has no less than 25% of their staff that would be eligible, most of whom might well be able to participate if the current bill is adopted despite the cap.

In truth, under the SB 255 districts with relatively few currently eligible employees will receive little or no current benefit from a temporarily enhanced excessive multiplier and will be faced with likely future increases in MPSERS